

FISCAL NOTE

HB 2247 - SB 2190

March 5, 2007

SUMMARY OF BILL: Reduces from \$5,000 to \$2,500 the threshold for which tax payments due the Department of Revenue (DOR) are to be paid with funds that are immediately available to the state.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$155,000

Assumptions:

- Total state tax revenue collections will remain unchanged.
- Immediately available funds are those funds received via electronic funds transfer (EFT) and processed by the Federal Reserve Bank system.
- According to DOR, the number of taxpayers required to send payment via EFT would increase by approximately 130,000. The cost to the state for collecting taxpayer funds via EFT is \$1 per return.
- According to DOR, it expects approximately 25,000 of the 130,000 additional taxpayers will begin filing tax returns with the department through its electronic sales tax portal as a result of this legislation. An additional cost to the state of \$1 per return would apply for these taxpayers.
- The recurring increase to state expenditures is estimated to be \$155,000 per year $([130,000 \text{ returns} \times \$1] + [25,000 \text{ returns} \times \$1] = \$155,000)$.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director